



Certification report 2012/13 for Cannock Chase District Council

Year ended 31 March 2013

10 February 2014

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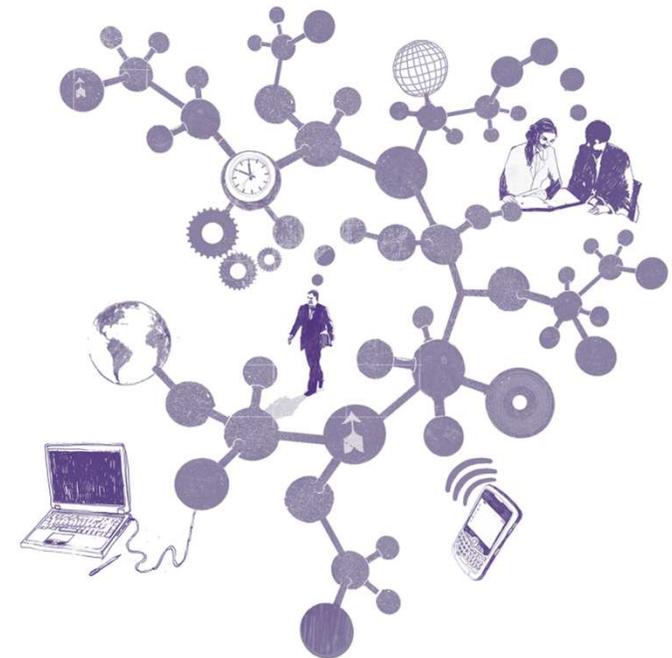
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Section 1: Executive summary

01. Executive summary

02. Results of our certification work

Certification of grant claims and returns

Introduction

We are required to certify certain of the claims and returns submitted by the Council. This certification typically takes place some six to nine months after the claim period and represents a final but important part of the process to confirm the Council's entitlement to funding.

For 2012/13 we have certified two claims and one return with certifiable values totalling £67.5 million.

This report summarises our overall assessment of the Council's management arrangements in respect of the certification process and draws attention to significant matters in relation to individual claims.

Approach and context to certification

Arrangements for certification are prescribed by the Audit Commission, which agrees the scope of the work with each relevant government department or agency, and issues auditors with a Certification Instruction (CI) for each specific claim or return.

Our approach to certification work, the roles and responsibilities of the various parties involved and the scope of the work we perform were set out in our Certification Plan issued to the Council in August 2013.

Key messages

A summary of all claims and returns subject to certification is provided at Appendix A. The key messages from our certification work are summarised in the table below and set out in detail in the next section of the report.

Aspect of certification arrangements	Key Messages	RAG rating
Submission & certification	All claims received by the required deadline.	 Green
Accuracy of claim forms submitted to the auditor (including amendments & qualifications)	<p>No amendments were required to the NNDR return.</p> <p>A Qualification Letter was issued for the Pooling of Housing Capital Receipts claim due to an on-going disagreement between the Council and DCLG.</p> <p>Minor amendments were required to the Housing and Council Tax Benefit claim but no qualification letter was necessary. A significant improvement on prior years. We believe there are areas where efficiency can be improved and have made recommendations to assist the Council.</p>	 Amber
Supporting working papers	The Council provides excellent working papers to support the claims, and all staff fully participate in the audit process.	 Green

The way forward

We set out recommendations to address the key messages above and other findings arising from our certification work at Appendix B.

Implementation of the agreed recommendations will assist the Council in compiling accurate and timely claims for certification and reduce the level of input required, both from the Council and the auditor, during the certification process.

Acknowledgements

We would like to take this opportunity to thank the Council officers for their assistance and co-operation during the course of the certification process.

Grant Thornton UK LLP
February 2014

Section 2: Results of our certification work

01. Executive summary

02. Results of our certification work

Results of our certification work

Key messages

We have certified two claims and one return for the financial year 2012/13 with certifiable values totalling £67.5 million.

The Council's performance in preparing claims and returns is summarised below:

Performance measure	Target	Achievement in 2012/13		Achievement in 2011/12		Direction of travel
		No.	%	No.	%	
Claims submitted on time	100%	3	100	4	100	↔
Claims certified on time	100%	3	100	4	100	↔
Claims certified with amendment	100%	1	33	2	50	↑
Claims certified with qualification	100%	1	33	2	50	↑

This analysis of performance shows that:

- All claims have been submitted on time by the Council and certified on time by auditors for the last two years
- The level of amendments and qualifications necessary has reduced, with only one claim qualified and one claim amended in 2012/13.

Details of the certification of all claims and returns are included at Appendix A.

Significant findings

A significant amount of time and effort on the Housing and Council Tax Benefit claim, both by the Council and the auditor, was necessary on relatively low value cells such as Non HRA, Modified Schemes and Extended Payments. However, for 2012/13 we were able to fully assess the impact of the issues identified and make amendments to the claim, and as a result no qualification was necessary.

We have recommended that the Council carry out more regular review of these cases in order to identify and correct potential errors before the claim is submitted for audit.

Certification fees

The Audit Commission set an indicative scale fee for grant claim certification based on 2010/11 certification fees for each audited body. The indicative scale fee for the Council for 2012/13 is £14,400.

Based on the results of actual certification work undertaken we have not proposed any variation to this indicative scale fee. The final actual fee is therefore £14,400.

Appendices

Appendix A: Details of claims and returns certified for 2012/13

Claim or return	Value £	Amended?	Amendment (£)	Qualified?	Comments
Housing and Council Tax Benefit	36,205k	Yes	+251k	No	No qualification necessary as amendments were made for the impact of all issues identified. Amendment of £251k related to timing issue between the 2011/12 and 2012/13 financial years. An adjustment was made in the previous year to reduce the value of the 2011/12 claim as it included £251k of benefits which related to 2012/13, but a corresponding adjustment had not initially been made to add this figure to the draft 2012/13 claim.
Pooling of Housing Capital Receipts	1,089k	No	0	Yes	Long standing qualification issue relating to the non-inclusion of mortgage receipts by the Council. Total value of these receipts in 2012/13 was £5k.
National Non Domestic Rates	29,915k	No	0	No	

Appendix B: Action plan

Priority

High - Significant effect on arrangements

Medium – Some effect on arrangements

Low - Best practice

Rec No.	Recommendation	Priority	Management response	Implementation date & responsibility
1	Review Extended Payment audit trails on a regular basis for large cases and negative amounts and review any such cases identified for potential errors.	Medium	Regular checks are now in place.	Benefit Services Manager – already implemented and so will be evidenced at 2013/14 Subsidy Audit.
2	Review non HRA cases on a regular basis to identify potential Civica cap errors.	Medium	Regular checks are now in place.	Benefit Services Manager – already implemented and so will be evidenced at 2013/14 Subsidy Audit.
3	Review modified scheme cases to ensure that all corrections in relation to uprating from the correct date have been identified and actioned for the 2013/14 claim.	Medium	Regular checks are now in place.	Benefit Services Manager – already implemented and so will be evidenced at 2013/14 Subsidy Audit.
4	Continue to monitor end dates on SSP cases and other time limited case types.	Medium	Weekly checks are now in place for all 'time limited' benefits	Benefit Services Manager – already implemented and so will be evidenced at 2013/14 Subsidy Audit.

Appendix C: Fees

Claim or return	2011/12 fee (£) *	2012/13 indicative fee (£)	2012/13 actual fee (£)	Variance year on year (£)	Explanation for significant variances
Housing and Council Tax benefit	17,069	11,730	11,730	(5,339)	Level of issues arising significantly reduced.
Pooling of housing capital receipts	1,236	1,850	1,850	614	
National non-domestic rates return	1,671	820	820	(851)	
Total	19,976	14,400	14,400	(5,576)	

* 2011/12 fee less 40% fee reduction applicable for 2012/13 onwards. This is shown in this way to make it comparable to the 2012/13 fee.



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